SHRI SOM PAL: This is not the answer to the question.. *(Interruptions)*...He is wasting the time of the House...*(Interruptions)*.

MR. CHAIRMAN: Question No. 105

Fiscal deficit

*105. DR. NAUNIHAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that during 1993-94, the fiscal deficit shot up to 7.3 per cent of GDP against a target of 4.6 per cent; and

(b) if so, what are the cogent reasons therefor and the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes Sir. The fiscal deficit in the Revised Estimates for 1993-94 was 7.3 per cent of GDP against the level of 4.6 per cent assumed in BE 1993-94.

(b) The main reasons were higher actual expenditure as compared to BE 1993-94 as well as shortfall in revenue and other non-debt creating capital receipts. Efforts are being made to contain the fiscal deficit through maximising revenues and limiting the expenditure to the budget level.

DR. NAUNIHAL SINGH: Hon. Chairman, Sir, may I ask the hon. Finance Minister if the World Bank has indicated that India's "worsened fiscal performance" could undermine the credibility of the fiscal adjustment programme? If so, please explain the basis for such a concern on the part of the World Bank.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): I do not have to quote the World Bank to prove a point. I have been stating time and again that this country cannot simply wend its way into prosperity. We must create an environment in which our debt growth can be moderated. There are only two ways by which this can be done—either by increasing revenue or by moderating the growth of expenditure. That is the direction in which we are moving. As against 7.4 per cent in 1993-94, we brought down the fiscal deficit in the current year to 6.7 per cent and, on some definition, to 6.2 per cent. Next year we will bring it down further to 5.5 per cent. That is the way in which, over a period of time, we can put the fiscal system in a better shape.

DR. NAUNIHAL SINGH: Sir, is it a fact that whatever progress was gained by the Government in improving the fiscal performance has been lost in 1994? If so, what are the reasons for such a setback?

SHRI MANMOHAN SINGH: Mr. Chairman, Sir, I respectfully submit to the hon. Member that what he stated is simply not in consonance with the facts. As I mentioned just now, we have brought the fiscal deficit down from 7.4 per cent to 6.7 per cent and, on a more meaningful definition, to 6.2 per cent. So, the situation in 1994-95 has improved. It is my expectation that the situation will further improve in the year 1995-96.

Repayment of external debt

*106. SHRI MOHAMMED AFZAL *alias* MEEM AFZAL: Will the Minister of FINANCE be pleased to state:

(a) what was the amount of external debt aginst the country as on 31st March, 1994 which is to be repaid alongwith interest and from which countries it was obtained; and

(b) what is the amount of external financial assistance received by the country during the said period which will not be repaid and from which countries it was obtained?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The total amount of external debt outstanding against the country as on 31st March, 1994 was US $-90.723 billion. The details of the countries from which it was obtained is given in the Brochure on External Assistance 1993-94 and the